

Message Text

UNCLASSIFIED

PAGE 01 STATE 044136

14

ORIGIN NEA-04

INFO OCT-01 ADP-00 /005 R

66660

DRAFTED BY: NEA/ ARP: FMDICKMAN

APPROVED BY: NEA: ALATHERTON

----- 023596

R 110256 Z MAR 73

FM SECSTATE WASHDC

TO AMEMBASSY AMMAN

AMEMBASSY JIDDA

UNCLAS STATE 044136

E. O. 11652: N/ A

TAGS: EAID, IS, SA

SUBJ: PROGRAM ASSISTANCE GRANT AGREEMENT

FOLLOWING SENT ACTION TELAVIV MARCH 9, FROM SECSTATE
REPEATED TO YOU QUOTE:

UNCLAS STATE 044136

AIDAC

SUBJ: PROGRAM ASSISTANCE GRANT AGREEMENT

1. THE DOLS 50 MILLION GRANT AGREEMENT WAS SIGNED IN WASHINGTON MARCH 9, 1973 BY AMBASSADOR RABIN AND DR. HANNAH. THE SIGNING CEREMONY WAS SCHEDULED ON SHORT NOTICE AFTER THE PRESIDENT SIGNED THE CONTINUING RESOLUTION, TO PERMIT AMBASSADOR RABIN TO SIGN THE AGREEMENT BEFORE HIS DEPARTURE FROM WASHINGTON MARCH 10.

2. IN ADDITION TO THE SIGNING OF THE LOAN, A SIDE LETTER PERTAINING TO COUNTERPART DEPOSITS WAS GIVEN TO THE ISRAELIS. THE FOLLOWING IS QUOTED FROM LAST PARAGRAPH OF LETTER: " PLEASE BE ADVISED THAT AT THE PRESENT TIME WE DO NOT FORESEE ANY NECESSITY OF MAKING SUCH REQUEST FOR THE FURNISHING OF ISRAELI POUNDS FOR UNITED STATES USES."

UNCLASSIFIED

UNCLASSIFIED

PAGE 02 STATE 044136

EM TEXT OF PRESS RELEASE FOLLOWS: " AN AGREEMENT FOR A U. S. GOVERNMENT GRANT OF DOLS 50 MILLION FOR ISRAEL WAS SIGNED TODAY BY DR. JOHN A. HANNAH, ADMINISTRATOR OF THE AGENCY FOR INTER-NATIONAL DEVELOPMENT AND AMBASSADOR YITZHAK RABIN OF ISRAEL. DR. HANNAH SAID THE GRANT IS ANOTHER CONCRETE EXPRESSION OF THE LONG AND WARM FRIENDSHIP BETWEEN ISRAELIS AND AMERICANS, AND PART OF A CONTINUING U. S. EFFORT TO HELP ISRAEL MAINTAIN ECONOMIC STABILITY IN A PERIOD OF HEAVY DEFENSE EXPENDITURES.

DR. HANNAH SAID THE GRANT WOULD ALSO HELP ISRAEL IN RESETTLING IMMIGRANTS, INCLUDING MANY FROM THE SOVIET UNION, WHO IN THEIR NEW LIVES WILL HAVE NEW OPPORTUNITIES TO USE THEIR TALENTS FOR SELF- DEVELOPMENT AND FOR THE CONTINUING GROWTH OF ISRAEL.

THE DOLS 50 MILLION IN U. S. ASSISTANCE WILL BE IN THE FORM OF DOLLAR FINANCING MADE AVAILABLE TO ISRAEL TO PURCHASE IMPORTS OF A VARIETY OF INDUSTRIAL AND MISCELLANEOUS COMMODITIES FROM THE UNITED STATES. RELATED SERVICES MAY ALSO BE INCLUDED.

THE GOODS IMPORTED UNDER THE U. S. GRANT ARE SOLD IN ISRAEL AND THE PROCEEDS IN ISRAELI POUNDS WILL BE APPLIED TO GENERAL SUPPORT OF ISRAEL' S NATIONAL BUDGET.

THE BUDGET SUPPORT GENERATED BY THE AID- FINANCED IMPORT PROGRAM WILL HELP ISRAEL TO MEET OVERALL FINANCIAL NEEDS STEMMING FROM ITS HEAVY DEFENSE BURDEN, COUPLED WITH CONTINUED RAPID ECONOMIC GROWTH, INCREASED PUBLIC SERVICES AND THE COSTS OF RESETTLEMENT IN ISRAEL OF LARGE NUMBERS OF NEW IMMIGRANTS FROM THE SOVIET UNION AND OTHER AREAS.

IN ADDITION TO THIS GRANT AID, ISRAEL CONTINUES TO RECEIVE SUBSTANTIAL U. S. ASSISTANCE UNDER SUCH PROGRAMS AS FOREIGN MILITARY SALES, FOOD FOR PEACE, AND THE HOUSING LOAN GUARANTY PROGRAM. THESE PROGRAMS SUPPORT ISRAEL' S SECURITY, INDEPENDENCE AND ECONOMIC STRENGTH.

THE ISRAELIS ARE EXPECTED TO USE THE AID FINANCING FOR TRUCKS, TRACTORS AND AGRICULTURAL MACHINERY, PAPER, ELECTRONIC COMPONENTS, MEDICAL AND SCIENTIFIC INSTRUMENTS, IRON, STEEL AND NON- FERROUS METALS, CHEMICAL ELEMENTS AND COMPOUNDS, TEXTILE FIBERS, OFFICE MACHINERY AND COMPUTERS, PHARMACEUTICALS, FORK LIFTS, REFINERY UNCLASSIFIED

UNCLASSIFIED

PAGE 03 STATE 044136

EQUIPMENT AND SULPHUR.

IMPORT TRANSACTIONS SINCE JULY 1, 1972 ARE ELIGIBLE RETRO-
ACTIVELY FOR THE AID FINANCING. DELIVERY OF GOODS MAY BE MADE
THROUGH JUNE 30, 1974". ROGERS UNQUOTE ROGERS

UNCLASSIFIED

*** Current Handling Restrictions *** n/a

*** Current Classification *** UNCLASSIFIED

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: n/a
Control Number: n/a
Copy: SINGLE
Draft Date: 11 MAR 1973
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Authority: n/a
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1973STATE044136
Document Source: CORE
Document Unique ID: 00
Drafter: NEA/ ARP: FMDICKMAN
Enclosure: n/a
Executive Order: n/a
Errors: n/a
Film Number: n/a
From: SECSTATE WASHDC
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1973/newtext/t19730323/aaaahhva.tel
Line Count: 123
Locator: TEXT ON-LINE
Office: ORIGIN NE
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators:
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: boyleja
Review Comment: n/a
Review Content Flags:
Review Date: 07 DEC 2001
Review Event:
Review Exemptions: n/a
Review History: RELEASED <07-Dec-2001 by elbezejf>; APPROVED <08 FEB 2002 by boyleja>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: <DBA CORRECTED> wfs 971112
Subject: PROGRAM ASSISTANCE GRANT AGREEMENT
TAGS: EAID, IS, SA
To: AMMAN
JIDDA
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005